

INDIANAPOLIS DEPARTMENT OF WATERWORKS  
BOARD OF DIRECTORS

RESOLUTION NO. 46, 2006

APPROVAL OF ADDENDUM TO SERVICE ADVISORY BOARD  
ENGINEERING CONSULTANT AGREEMENT

WHEREAS, Sections 273-221 and 273-222 of the Revised Code of the Consolidated city and County and intergovernmental agreements by and between the Department of Waterworks (the "Department"), counties and municipalities located in the Department's service are established the Department's Service Advisory Board (the "Advisory Board");

WHEREAS, pursuant to the intergovernmental agreements, the Department agreed to commission a feasibility study to consider the establishment of a regional water authority for the purpose of acquiring, improving, operating, maintaining, financing, and generally providing of public water utility and related water production, delivery, storage, distribution, and supply service throughout central Indiana (the "Regional Water Authority Study");

WHEREAS, through the Department, the Advisory Board retained an engineering consultant, DLZ Indiana, LLC, to provide various services related to the preparation, review and analysis of information (the "Services") relevant to the Regional Water Authority Study (the "Engineering Consultant") under a Consultant Agreement (the "Consultant Agreement") during 2005, a copy of which is attached hereto as Exhibit "A";

WHEREAS, the Board of Directors, at its regular meeting of August 17, 2006, authorized the Department to renew the Consultant Agreement for calendar year 2006, and the Department subsequent exercised that authority;

WHEREAS, the Advisory Board, at its regular meeting of October 17, 2006, approved an addendum to the Consulting Agreement under which the Engineering Consultant would undertake additional tasks related to the Advisory Board's consideration of the formation of a regional water authority (the "Addendum"), a copy of which is attached hereto as Exhibit "B";

WHEREAS, the Department desires to retain, on behalf of the Advisory Board, the Engineering Consultant to provide the Services set forth in the Addendum; and

WHEREAS, the Board of Directors (the "Board") of the Department has determined that the Consultant Agreement is appropriate and advisable;

NOW, THEREFORE, BE IT RESOLVED by the Board that the Addendum to the Consultant Agreement is hereby approved.

BE IT FURTHER RESOLVED the Department shall pay the Engineering Consultant for the Services as set forth in the Addendum and that in no event shall the Department be liable for any cost, expenses or payments of any kind related to the provision of the Services as

any cost, expenses or payments of any kind related to the provision of the Services as supplemented by the Scope provided by Engineering Consultant that total in an aggregate amount that exceeds Fifty-seven Thousand Seven Hundred Dollars and No Cents (\$57,700.00)

BE IT FURTHER RESOLVED by the Board that the Director of Contracts and Operations of the Department in consultation with the Office of Corporation Counsel and the Office of Finance and Management is hereby authorized and directed to: (i) prepare, finalize, execute and deliver the Addendum and every other document, certificate, instrument, agreement or affidavit as may be necessary, convenient or proper to effectuate the intent and purposes of the Addendum, as appropriate; (ii) prepare, execute and deliver each and every document, certificate, instrument, agreement or affidavit as may be necessary, convenient or proper to effectuate the intent and purposes of these resolutions, as appropriate; and (iii) to take any and all such additional action as may be necessary, convenient or proper to effectuate the intent and purposes of these resolutions, as appropriate; and

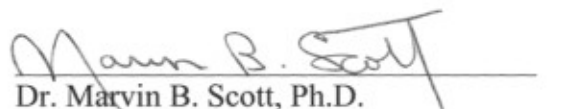
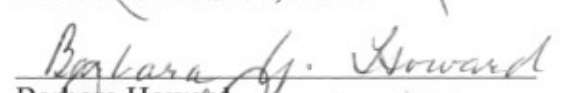

BE IT FURTHER RESOLVED by the Board that it ratifies any and all actions of the Director of Contracts and Operations, the Office of Finance and Management and the Office of Corporation Counsel previously undertaken as may have been necessary, convenient or proper to effectuate the intent and purposes of these resolutions.

ADOPTED during a meeting of the Board this 26<sup>th</sup> day of October 2006.

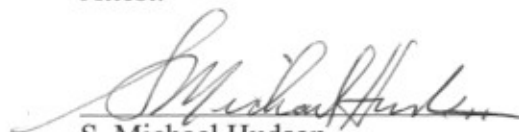
**CONSOLIDATED CITY OF INDIANAPOLIS,  
DEPARTMENT OF WATERWORKS,  
BOARD OF DIRECTORS**

  
Jack Bayt  
  
Carmen Hansen-Rivera

Samuel L. Odle

  
Dr. Marvin B. Scott, Ph.D.  
  
Barbara Howard  
  
Dan DeMars

Attest:

  
S. Michael Hudson,  
Secretary-Treasurer

## **SUPPLEMENTAL AGREEMENT NO. 1**

### **SUPPLEMENTAL AGREEMENT FOR PROFESSIONAL ENGINEERING SERVICES**

WHEREAS, The Department of Waterworks, Consolidated City of Indianapolis and Marion County, on behalf of the Service Advisory Board (hereinafter referred to as the "Department"), and DLZ Indiana, LLC, (hereinafter referred to as the "Contractor"), did on September 19, 2006, enter into an agreement for professional engineering services to provide technical consulting on behalf of the Service Advisory Board.

#### **WITNESSETH**

WHEREAS, the Department has requested to make certain changes and additional services not included in the original professional engineering services agreement dated September 19, 2006.

NOW, THEREFORE, the Department and the Contractor desire to amend the above referenced Professional Engineering Services Agreement, dated September 19, 2006, as follows:

#### **SCOPE OF SERVICES by Contractor**

##### **SCOPE OF ADDITIONAL SERVICES**

- A. Revise the paragraphs in the Contractor's April 18, 2006 letter, under **SCOPE OF SERVICES**, to read as follows:

##### **“SCOPE OF SERVICES**

DLZ Indiana, LLC (DLZ) proposes to continue their service to the Service Advisory Board as a technical consultant during the preparation of the Phase II Regional Water Authority Study report (Report). The purpose of the Report is to supplement the original report submitted to the SAB (by Malcolm Pirnie) on April 30, 2005 so that Service Advisory Board member communities can better plan for future growth while maintaining proper levels of water quality. The general scope of the Report will be to assess the feasibility of two regional water system governance options (Consortium of Water Utilities and Regional Water Authority). DLZ's role in this process is to provide the Service Advisory Board information in the Report as outlined below. In addition, DLZ will attend the monthly scheduled meetings of the Service Advisory Board as well as special meetings with a Technical Committee comprised of Service Advisory Board members in order to verify that the Report being prepared meets the desired scope and intent of the Service Advisory Board.

DLZ's specific duties under this contract will include the following:

1. DLZ will complete the following tasks and deliverables on behalf of the Service

Advisory Board:

**Task 1. Case Studies**

The objective of this task is to learn from other communities throughout the nation who have formed regional utilities. The following identifies the proposed activities to be conducted:

- A. **Identify Organizations for Study.** Develop a list of potential organizations to be reviewed. Select most applicable cases for review, including at least two consortia and at least two authorities.
- B. **Questionnaire.** Develop a questionnaire to guide telephone interviews with contacts at the selected organizations to gather information on the following:
  - 1. Goals driving the organization formation.
  - 2. Governance structures investigated and option selected.
  - 3. History/process of organization formation.
  - 4. Organization members.
  - 5. Organizational structure.
  - 6. Capabilities of the organization.
  - 7. Accomplishments.
  - 8. Lessons learned.
  - 9. Conceptual financing structure.
  - 10. Approach to conservation.
  - 11. Population served.
  - 12. System description and capacity: source of supply, treatment and distribution.
  - 13. Water demand.
- C. **Case Studies.** Prepare a summary of findings for each selected organization.

**Deliverables:**

- 1) Case selection summary.
- 2) Questionnaire.
- 3) Individual case studies.
- 4) Overall summary of findings.

**Task 2. Governance Options Discussion: Political, Administrative**

This task further investigates the two governance options of a consortium of water providers and a regional water authority, with respect to political and administrative factors. Major issues associated with the hypothetical implementation of each option in Central Indiana will be explored. This task will not provide a legal template for the establishment of a consortium or regional water authority. The goal of this task is to provide the Service Advisory Board with information relating to existing political and

Administrative organization structures of the Service Advisory Board communities. Under this task, the Report will draw on information from the Phase I resource inventory, as prepared by Malcolm Pirnie, regarding the following:

Political

- 1) Review current organizational structures (i.e. governance and staff).
- 2) Identify stakeholders and major stakeholder issues.
- 3) Coordinate with Department legal counsel to identify applicable laws and codes.

Administrative

- 1) Discuss administrative functions, needs and opportunities related to the following services:
  - A) Customer service and billing systems.
  - B) Public relation materials and requirements.
  - C) Governmental relations.
  - D) Provision of support services for operation of water systems.
  - E) Policy issues regarding conservation/demand management, water supply protection and security.

**Task 3. Information Identification: Technical, Financial**

Under this task, information needed to assess the technical and financial factors of the member communities associated with the two governance options of interest will be identified. This task will not address the financial human resource ramifications required in the formation of a consortium or regional water authority, but to provide the Service Advisory Board with information relating to existing technical and financial organizational structures of the Service Advisory Board communities.

Technical

- 1) Discuss current technical functions and needs as well as opportunities related to the following categories:
  - A) System condition.
  - B) System operations and practices.
  - C) Service area.
  - D) Regulatory requirements.
  - E) Capital Improvement Programs.

Financial

- 1) Discuss current financial functions and needs as well as potential opportunities related to the following categories:
  - A) Current budgets.
  - B) Current debt.
  - C) Current rate structure.
  - D) Customer base.

E) Capital investment.

**Task 4. Summary Report, Comparison of Options**

Based on the review of the above items presented in Tasks 1, 2 and 3, a draft summary report will be prepared for review and comment by the Service Advisory Board members. Upon satisfactory review, the report will be finalized.

**Deliverables:**

- 1) A brief letter report that summarizes a matrix that will be provided with the report (see below). The letter report will also compare and contrast the information requirements for the two regional organization alternatives under consideration.
  - 2) Deliverables per Task 1 (see above).
  - 3) A summary matrix, in tabular format, of the major issues identified for each of the four factors included under Tasks 2 and 3- political, administrative, technical and financial.
2. DLZ will attend Service Advisory Board meetings as requested serving in a technical advisory role for these meetings. For the purposes of this contract, the numbers of meetings will be limited to nine (9) without extending into additional services as described in the **COMPENSATION** section below.
3. DLZ will attend special meetings of the Service Advisory Board's Technical Committee, as requested, serving in a technical advisory role for these meetings. For the purposes of this contract, the number of meetings will be limited to six (6) without extending into additional services as described in the **COMPENSATION** section below."
- B. Revise the paragraph in the Contractor's April 18, 2006 letter, under **COMPENSATION**, to read as follows:

**"COMPENSATION**

DLZ shall provide professional services rendered under the "Scope of Services" for this phase and any potential "Additional Services". DLZ proposes to be compensated on an **hourly rate basis** for an initial not-to-exceed amount of Fifty-seven Thousand Seven Hundred Dollars and No Cents (\$57,700.00) for the Scope of Services described above. However, it is understood that the number of meetings required may exceed those listed above. Such meetings and any additional work required outside of the Scope of Services will be considered "Additional Services" and will only be completed, as requested in writing by Department of Waterworks. The proposed scope of services and any additional services, as required, will be compensated for on an hourly basis according to the rate schedule shown by **Attachment "C".**"

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Agreement No. 1, to be executed by their duly authorized officers and partners and is made effective on this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

AGREED AND ACCEPTED

**DLZ INDIANA, LLC (Contractor)**

**Department of Waterworks (Department)**

\_\_\_\_\_  
Mark C. Jacob  
Vice President

\_\_\_\_\_  
Carlton E. Curry  
Director of Contracts and Operations

\_\_\_\_\_  
Jeffrey P. Dieterlen, P.E.  
Department Manager

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Robert J. Clifford  
Controller

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Jonathan Bryant  
General Counsel  
Department of Waterworks

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